

THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DG 06-121

ORDER OF NOTICE

On September 1, 2006, EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy Delivery New England (KeySpan) filed with the New Hampshire Public Utilities Commission (Commission) its proposed Cost of Gas (COG) and Fixed Price Option (FPO) rates for the winter period, November 1, 2006 through April 30, 2007, and Local Delivery Adjustment Charges and certain Supplier Charges for the period November 1, 2006 through October 31, 2007. KeySpan also filed a Motion for Protective Order and Confidential Treatment.

The estimated impact of KeySpan's proposed firm sales cost of gas and revised surcharges on a typical residential heating customer's winter bill is an increase of approximately \$115, or 8.4%.

The proposed Residential COG rate is \$1.2464 per therm (FPO rate is \$1.2664 per therm), a \$0.1122 per therm increase over the weighted Residential COG rate of \$1.1342 per therm for last winter. The proposed Commercial/Industrial Low Winter Use COG rate is \$1.2451 per therm (FPO rate of \$1.2651 per therm) and Commercial/Industrial High Winter Use COG rate is \$1.2466 per therm (FPO rate of \$1.2666 per therm). The proposed Firm Transportation COG rate is \$0.0010 per therm, compared to \$0.0030 per therm for last winter.

The proposed surcharge to recover environmental remediation costs is \$0.0152 per therm, an increase of \$0.0029 per therm from the current environmental surcharges totaling \$0.0123 per therm. The proposed Energy Efficiency/Conservation Charge for residential non-

heating customers is \$0.0173 per therm, an increase of \$0.0094 per therm from the current rate of \$0.0079 per therm. The proposed Energy Efficiency/Conservation Charge for residential heating customers is \$0.0179 per therm, an increase of \$0.0095 per therm from the current rate of \$0.0084 per therm. The proposed Energy Efficiency/Conservation Charge for Commercial and Industrial (C&I) customers is \$0.0127 per therm, a decrease of \$0.0010 per therm from the current rate of \$0.0137 per therm. The proposed surcharge to recover expenses and lost revenues related to the Residential Low Income Assistance Program is \$0.0063 per therm, a decrease of \$0.0011 per therm from the current rate of \$0.0074 per therm.

KeySpan is updating its Supplier Balancing charges, the charges that suppliers are required to pay KeySpan for balancing services as KeySpan attempts to meet the shifting loads for the supplier's customer pools. The proposed Balancing Charge of \$0.13 per MMBtu is a decrease of \$0.03 per MMBtu from the current rate of \$0.16 per MMBtu and the proposed Peaking Demand Charge of \$11.68 per MMBtu of peak Maximum Daily Quantity (MDQ) is a decrease of \$6.49 per MMBtu from the current rate of \$18.17 per MMBtu of peak MDQ. The changes are based on an update of volumes and costs used in calculating the charges.

The proposed capacity allocator percentages used to allocate pipeline, storage and local peaking capacity to a customer's supplier under New Hampshire's mandatory capacity assignment, required for firm transportation service, have been updated to reflect KeySpan's supply portfolio for the upcoming year.

The filing raises, inter alia, issues related to: RSA 378 relative to rates, forecasting of sales, supplier prices and transportation prices, calculation of indirect gas costs, purchasing decisions related to the current and past winter supplies and capacity, revenue projections related to transportation services and released capacity, the causes and treatment of substantial over and

under recoveries, the reconciliation of prior period costs and revenues, and the prudence of environmental remediation costs for which recovery is being sought and not previously approved by the Commission. Each party has the right to have an attorney represent them at their own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Hearing be held before the Commission located at 21 South Fruit Street, Suite 10, Concord, New Hampshire on October 17, 2006 at 1:30 p.m.; and it is

FURTHER ORDERED, that KeySpan, Staff of the Commission and any intervenors hold a technical session at the Commission on September 28, 2006 at 9:00 a.m.; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.12, KeySpan shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than September 22, 2006, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before October 17, 2006; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to KeySpan and the Office of the Consumer Advocate on or before October 12, 2006, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before October 17, 2006; and it is

By order of the Public Utilities Commission of New Hampshire this eighteenth
day of September, 2006.

Debra A. Howland
Executive Director & Secretary

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.